BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE AT NASHVILLE

TENNESSEE SECURITIES DIVISION,	)	
Petitioner	)	
	)	**Order No.** 04-003
vs.	)	
	)	
HEARTLAND HOLDINGS, L.L.C. and	)	
ANTHONY COOPER	)	
Respondents	)	

CONSENT ORDER

The Tennessee Securities Division ("Division"), and Heartland Holdings, L.L.C. and Anthony Cooper, Respondents herein, agree to the entry of this Agreed Order in accordance with Tenn. Code Ann. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. ("Act"), which states that the Commissioner of Commerce and Insurance ("Commissioner") from time to time may make such orders as are necessary to carry out the provisions of the Act.

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Consent Order is executed by the Respondents for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and

consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Consent Order for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Respondents expressly waive all further procedural steps, and expressly waive all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FINDINGS OF FACT

1. The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. (the "Act"), places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance ("Commissioner"). The Division is the lawful agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. § 48-2-115.

2. Respondent, Heartland Holdings, L.L.C. ("Heartland Holdings") is a Tennessee Limited Liability Company formed on March 26, 2003. The principal office is located at 616 Hwy 76 Box 591, White House, TN 37188. The registered agent is Aaron Clifford, whose address is 212 Apache Trail, White House, TN 37188. Heartland Holdings has never been registered as a broker-dealer, agent of a broker-dealer, or investment adviser with the Division.

3. Anthony Cooper ("Cooper") is believed to be an employee, agent, officer, director, owner or other affiliated person of Heartland Holdings, L.L.C. Cooper maintains

his business address at 616 Hwy 76 Box 591, White House, TN 37188. Cooper is not currently registered with the Division as a broker-dealer or agent of a broker-dealer or investment adviser in Tennessee.

4. In October of 2003, it was brought to the attention of the Division, through information received in the Real Estate Commission, that Heartland Holdings maintained a website, which website contained an "Investing with Us" link. The website for Heartland Holdings is www.heartlandholdings.com.

5. The "Investing with Us" link on the website directed individuals to information regarding investing in Heartland Holdings. Specifically, the advertisement stated, "You can invest in real estate without any management headaches or responsibilities." The advertisement additionally provided that "[y]ou never handle any details. Heartland Holdings manages every aspect of your investment." The website further provided that "[y]our investment is secured by a deed of trust on a first mortgage on the property that we purchase with your money. All first mortgages pay 8% on investments of $50,000 or more. Smaller second mortgages pay 9.5% on investments of $10,000 or more." The website stated, "Earn a guaranteed 8.5% return on your money, secured by real estate."

6. The investment opportunity advertised was an investment contract as per the definition provided in *King v. Pope,* 91 S.W.2d 314, 321 (Tenn. 2002).

7. Heartland Holdings and Cooper have not registered any securities with the Division.

8. Heartland Holdings and Cooper are not registered with the Division as broker-dealers or agents of broker-dealers.

9. Heartland Holdings did not sell any investments in Heartland Holdings

through the advertisement on the internet. No Tennessee residents or residents of other states have suffered loss as a result of the violations of law by Heartland Holdings and Cooper.

CONCLUSIONS OF LAW

10. Pursuant to Tenn. Code Ann. §48-2-115(a), the responsibility for administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

11. Tennessee Code Annotated §48-2-109(a) provides that it is unlawful for any person to transact business from or in this state as a broker-dealer, agent of a broker-dealer, or investment adviser unless such person is registered as a broker-dealer, agent of a broker-dealer, or investment adviser under this part.

12. Tennessee Code Annotated §48-2-109(b) provides that it is unlawful for any broker-dealer to employ an agent to transact business as an agent unless the agent is registered under this part.

13. Tenn. Code Ann. § 48-2-104 provides that it is unlawful for any person to sell any security in this state unless: (1) it is registered under the Act, (2) the security or transaction is exempted under Tenn. Code Ann. § 48-2-103, or (3) the security is a covered security.

14. The averments in paragraphs four - nine of this Consent Order, constitute practices by Cooper which would provide grounds under Tenn. Code Ann. §48-2-109 for the entry of an order of sanctions against Cooper.

15. The averments in paragraphs four - nine of this Consent Order, constitute practices by Cooper which would provide grounds under Tenn. Code Ann. § 48-2-104 for the entry of an order of sanctions against Cooper.

16. The averments in paragraphs four - nine of this Consent Order, constitute practices by Heartland Holdings which would provide grounds under Tenn. Code Ann. § 48-2-104 for the entry of an order of sanctions against Heartland Holdings.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Anthony Cooper's, both individually and in his capacity as the representative of Heartland Holdings, L.L.C., waiver of his right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 et seq., and Anthony Cooper's, both individually and in his capacity as the representative of Heartland Holdings, L.L.C., admission of jurisdiction of the Commissioner, the Commissioner finds that Anthony Cooper, individually and in his capacity as the representative of Heartland Holdings, L.L.C., for the purpose of settling this matter, admits the matters herein, has agreed to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, pursuant to Tennessee Code Annotated § 48-2-116(a) of the Tennessee Securities Act that:

1. Respondents shall fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder;

2. Respondents, Anthony Cooper and Heartland Holdings, L.L.C., shall cease and desist in the further conduct as broker-dealers from or in the state of Tennessee until such time as it is effectively registered with the Division to engage in such activity.

3. The Respondents, Anthony Cooper and Heartland Holdings, L.L.C., shall cease and desist in further conduct as agents of a broker-dealer from or in the state of Tennessee until such time each is effectively registered with the Division to engage in such activity.

4. It is ordered that should Respondents seek registration with the Division as broker-dealers, agents of broker-dealers, and/or investment advisers, the Respondents shall disclose on any Form U-4 filing or Form BD filing, pursuant to the instructions of said forms and as required by the NASD, the details of this filed administrative action.

5. The Respondents, Anthony Cooper and Heartland Holdings, L.L.C., shall cease and desist from the offer to sell or from the issuance of investment contracts or any other security related to Heartland Holdings, L.L.C. until such time as the security is registered with the Division or is declared to be exempt from registration by the Division.

6. The Respondents, Anthony Cooper and Heartland Holdings, L.L.C., shall cease and desist, from and in the State of Tennessee, in making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading as related to the sale or offer to sell securities.

7. Respondent, Anthony Cooper, individually, is hereby **ASSESSED** a civil penalty in the amount of one thousand dollars ($1,000.00). Said sum shall be due and

paid in full upon execution of this document, but in no event later than March 31, 2004. Payment in the form of a cashier's check or money order shall be mailed to:

State of Tennessee
Department of Commerce and Insurance
Securities Division
Attention: Michele K. Elliott, Staff Attorney
500 James Robertson Parkway, 5th Floor
Nashville, Tennessee 37243.

8. Respondent, Anthony Cooper, in his capacity as representative of Heartland Holdings, L.L.C., is hereby **ASSESSED** a civil penalty in the amount of one thousand dollars ($1,000.00). Said sum shall be due and paid in full upon execution of this document, but in no event later than March 31, 2004. Payment in the form of a cashier's check or money order shall be mailed to:

State of Tennessee
Department of Commerce and Insurance
Securities Division
Attention: Michele K. Elliott, Staff Attorney
500 James Robertson Parkway, 5th Floor
Nashville, Tennessee 37243.

9. Respondent, Anthony Cooper, hereby agrees that his failure to comply with all the requirements and prohibitions contained in this Order shall result in the denial of any application by Respondent, Anthony Cooper, for registration or licensure with or through the Department of Commerce and Insurance for the State of Tennessee.

IT IS ORDERED that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Heartland Holdings, L.L.C. and Anthony Cooper for violations of the Act alleged by the Tennessee Securities Division to have occurred with

respect to offer to sell securities advertised on the internet as of on or about June through December of 2003 and the facts contained herein.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signature affixed below, Anthony Cooper, individually and as representative of Heartland Holdings, L.L.C., affirmatively states that he has freely agreed to the entry of this Consent Order, that he waives his right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

ENTERED this 22nd day of April, 2004.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

Anthony Cooper, Individually

Daphne D. Smith

Daphne D. Smith,
Assistant Commissioner for Securities
Department of Commerce and Insurance

Anthony Cooper, as Representative of
Heartland Holdings, L.L.C.

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